

FORM MR-AR
(Revised 1/2007)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
1594 West North Temple - Suite 1210
Box 145801
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LARGE MINING OPERATIONS 2007 PROGRESS REPORT
January 1, 2007 to December 31, 2007

The information required in this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, and the rules as under the Utah Minerals Regulatory Program.

1. Mine Permit Number: 5270101
2. Mine Name: Three Knolls Mine
3. Name of Operator/Permittee: Western clay company
Note: If Operator's address, company representative or phone number have changed, please provide a replacement page to the Notice of Intention.
4. Mine Location: Hwy 50 Between Scipio and Anwar, UT
5. Report the gross amount of ore mined and waste moved, as well as the arrangement, positioning, or distribution of the material:
 Gross Ore Mined 6000 Tons, or _____ yd³
 Waste Material Moved 200 Tons, or _____ yd³
 New Disturbance 5 Acres during 2007
 Area Reclaimed 5 Acres during 2007
 Total Disturbed Area 4.85 Acres*
 Was the ore shipped off site? If not, where is the ore located? Yes

 Where is the waste located? _____

*Total life of mine disturbance to the end of 2007.

6. Briefly describe the reclamation work performed during the past year. A map showing reclaimed areas and dates is suggested. (Submit form MR-SITE for an application for full or partial bond/site release).
No Activity
7. Include an updated map depicting surface disturbance and reclamation performed during the year, prepared in accordance with Rule R647-4-105.
No changes

I hereby certify, under penalties of law, the information provided in this report is true and correct to the best of my knowledge and belief.

Name (Typed or Print): Brad Baker
 Title of Operator: Pres
 Signature of Operator: [Signature]
 Date: 1-31-08

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RECEIVED

JAN 31 2008

DIV. OF OIL, GAS & MINING

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